

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re) Chapter 11
)
DELPHI CORPORATION, et al.,) Case No. 05-44481
)
Debtors,) (Jointly Administered)

**RESPONSE OF ILLINOIS ENVIRONMENTAL AGENCY TO NOTICE OF OBJECTION TO
CLAIM PURSUANT TO THIRD OMNIBUS OBJECTION (SUBSTANTIVE) PURSUANT TO
11 U.S.C. § 502(b) AND FED. R. BANKR. 3007**

NOW COMES the Illinois Environmental Protection Agency ("Illinois EPA"), by Lisa Madigan, Attorney General of the State of Illinois, and submits this response to the objection by Delphi Corporation to the Claim (No. 10885) of Illinois EPA. As set forth below, the objection should be overruled and the matter be set for further hearing.

1. Description of the basis for amount of claim: Illinois EPA's claim seeks to recover removal costs incurred at the former Chemetco, Inc., facility in Hartford, Illinois, prior to the date Delphi initiate bankruptcy proceedings. Illinois EPA has incurred response costs as a result of the release and threatened release of hazardous substances at the facility. Pursuant to Section 107(a)(3) of the Comprehensive Environmental Response Compensation Act ("CERCLA"), 42 U.S.C. §9607(a)(3), any person who by contract, agreement, or otherwise arranged for disposal or treatment * * * of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by another party and containing such hazardous substances, is liable for all costs of removal or remedial action incurred by a State as a result of a release or threatened release of hazardous substances. Section 22.2(f)(3) of the Illinois Environmental Protection Act, 415 ILCS 5/22.2(f)(3), creates a state law cause of action for such costs using more expansive language. Liability under both statutes is joint and several unless a basis for apportioning liability for the costs can be established. [citations]

a. Description of the Facility: Chemetco is a former secondary copper smelter that ceased

operations on October 1, 2001, when it filed for Chapter 7 Bankruptcy (Case No. 01-34066, Southern District of Illinois). Chemetco's operations had been plagued by chronic malfeasance and misfeasance in its management of materials it received for smelting and products, byproducts, residues and wastes generated by smelting including being criminally prosecuted and convicted for the disposal of hazardous wastes into a water of the United States (U.S. v. Chemetco, Inc., 274 F.3d 1154 (7th Cir. 2001)).

b. Arrangements for Treatment of Hazardous Substances: In pleadings filed in Chemetco's bankruptcy Delphi asserted claims seeking recovery based upon a "Tolling Arrangement" it had with Chemetco. See Exhibit 1 attached hereto, Delphi Automotive Systems Motion to Require the Trustee to Sequester Proceeds of Sales of Property (the Tolling Arrangement is attached to that motion as Exhibit A). Pursuant to that Tolling Arrangement, Delphi furnished Chemetco with "copper-bearing scrap as bailed material to be upgraded by CCO [Chemetco] into scrap usable as Brass Mill Feed and/or cathode." (Tolling Agreement, par.2).. Chemetco "upgraded" the scrap by smelting it in one of its four furnaces to concentrate the copper present in the scrap and collect the impurities as air pollution control waste (referred to as "zinc oxide") and slag. U.S. v. Chemetco, 274 F.3d at 1156. Both the zinc oxide and slag were characterized as hazardous wastes (and therefore, defined as hazardous substances pursuant to Section 101() of CERCLA, 42 U.S.C. 9601()) because of the high levels of lead, cadmium and other heavy, toxic metals capable of leaching out of the material. The lead, cadmium, and other heavy metals are also listed as hazardous substances pursuant to regulatory lists included in Section 101() of CERCLA, 42 U.S.C. 9601().

c. Threatened Releases of Hazardous Substances: As the date of its impending bankruptcy approached, Chemetco failed to properly manage wastes from its operations, including slag and zinc oxide. See Exhibit 2 attached hereto, September 30 and October 1, 2001, inspection reports prepared by Illinois EPA Inspector, Chris Cahnovsky. In the wake of the bankruptcy, Illinois EPA was compelled to issue a Seal Order to protect against the threat posed by the wastes present at the facility.

See Exhibit 3 attached hereto.

d. Incurgence of Response Costs: As a result of the threatened releases at the facility, Illinois EPA and the Attorney General have incurred response costs performing tasks such as investigating the nature and extent of the threat posed by "prior mismanagement" and mismanagement on the eve of the bankruptcy filing (See Exhibit 2), issuing and enforcing the Seal Order, identifying possible removal actions, and monitoring the Facility. The claim estimated those costs to be \$205,450.00. Tabulation of the total amount and assignment of those costs to prior mismanagement and pre-bankruptcy mismanagement threats is underway. Current indications are that the assignement will end up in the range of 60-65% prior mismanagement and 35-40% pre-bankruptcy. Delphi's potential liability given its formation in 1999, would be limited to the latter category.

2. Reasons Why the Claim Should not Be Disallowed as Unsubstantiated: Because of the effort expended in addressing the threat posed by the facility and the disarray in which Chemetco left its records, Illinois EPA is only in the early stages of identifying potentially responsible parties. This precluded issuance of notices of potential liability to potentially responsible parties such as Delphi. Based upon records of Chemetco's operations in the period preceding its bankruptcy, Delphi ranked second in the total weight of material sent to Chemetco for processing at more than 25,000,000 tons. See Exhibit 4.

3. Documentation Relied Upon to Support Claim: In addition to Exhibits 1-4 above, the State will rely upon the cost allocation/tabulation being prepared.

4. Amount of Claim Allowable Upon Liquidation: Setting aside the opportunity authorized under CERCLA to seek joint and several liability, this claim would likely be liquidated, via settlement or contested proceeding, in the range of approximately \$16,500 to \$27,750 (based upon an allocation assigning Delphi a 20% share of the lower range of costs associated with pre-bankruptcy mismanagement (40%) as the lower end and a 30% share of the higher range of costs associated with pre-

bankruptcy mismanagement (45%) as the higher end).

5. Response/Resolution Contact: The undersigned serves as the point of contact for response and resolution of this claim.

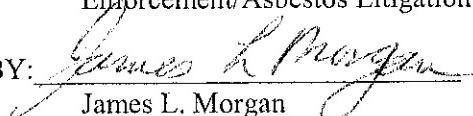
WHEREFORE, the Illinois EPA prays that the objection be overruled as to its claim.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN
Attorney General, State of Illinois

MATTHEW J. DUNN, Chief, Environmental
Enforcement/Asbestos Litigation Division

BY: 
James L. Morgan
Environmental Bureau
Assistant Attorney General
DATED: November 21, 2006

500 South Second Street
Springfield, IL 62706
217-524-7506
Fax: 217-524-7740
jmorgan@atg.state.il.us

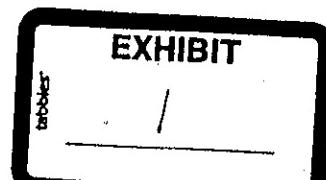
**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS**

IN RE)	IN PROCEEDINGS UNDER
)	CHAPTER 7
)	
CHEMETCO, INC.,)	CASE NO. 01-34066
)	
Debtor.)	

**MOTION TO REQUIRE THE TRUSTEE TO SEQUESTER
PROCEEDS OF SALES OF PROPERTY**

Now comes, **Joel A. Kunin**, of the lawfirm of **Carr Korein Tillery**, attorneys for creditor **Delphi Automotive Systems** (hereinafter "Delphi"), and for its Motion to Require the Trustee to Sequester Proceeds of Sales of Property states as follows:

1. On January 19, 2002, the Trustee issued three (3) separate documents styled Notice of the Trustee's Intent to Sell Property Free and Clear of Liens pursuant to 11 USC § 363, which notices pertain to warehouse inventory; copper anodes; black copper; and current production material of zinc oxide residue (hereinafter collectively referred to as "Property").
2. On January 24, 2002, the Trustee, by her Motion to Shorten Notice to Send Amended Notices of Sale pursuant to 11 USC § 363, stated her intent to file amended Notices of sale.
3. On January 26, 2002, the Trustee issued three (3) separate documents styled Amended Notice of the Trustee's Intent to Sell Property Free and Clear of Liens pursuant to 11 USC § 363, which notices pertain to the Property.
4. Some of the Property the Trustee intends to sell is or may be the property of Delphi pursuant to the General Materials Tolls Agreement dated January 1, 2000 between Delphi Automotive Systems and the Debtor, a copy of which Agreement is attached hereto, is marked Exhibit A, is incorporated herein and is by reference made a part hereof.
5. The proceeds of the sales of the Property, which is the subject of the three (3) Notices



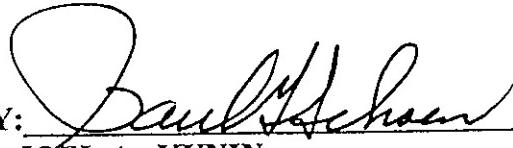
described in Paragraph 1 above, and any amendments thereto which may hereafter be filed by the Trustee, should be sequestered by the Trustee and held for distribution pending the further Order of this Court in order to provide adequate protection of Delphi.

WHEREFORE, pursuant to 11 USC § 363(e), **Delphi Automotive Systems** requests that the Court enter an Order requiring the Trustee to sequester and hold the proceeds of the sales of any Property which is the subject of the Notices and Amended Notices set forth above until the further Order of this Court as a condition to the Court's entry of an order approving the sale of all or any of the Property.

Dated this 31 day of January 2002.

DELPHI AUTOMOTIVE SYSTEMS

BY:



JOEL A. KUNIN
PAUL G. SCHOEN
CARR KOREIN TILLERY
412 MISSOURI AVENUE
EAST ST. LOUIS, IL 62201
618 / 274-0434 - FAX: 618/274-8369
E-MAIL: jkunin@legal-matters.com
pschoen@legal-matters.com

CERTIFICATE OF SERVICE

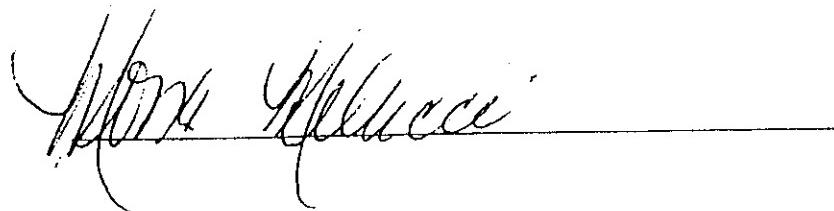
I, the undersigned, certify that a true and correct copy of the foregoing *Motion to Require the Trustee to Sequester Proceeds of Sales of Property* was mailed this 1st day of February 2002, by U. S. Mails, postage fully paid to the following:

Teresa A. Generous, Esq.
10 South Broadway
St. Louis, MO 63102-1774
Attorney for Debtor

Laura K. Grandy, Esq.
Mathis, Marifian, Richter & Grandy, Ltd.
720 West Main Street, Suite 100
Belleville, IL 62220
Chapter 7 Trustee

Dan Nester, Esq.
Bryan Cave
1 Metropolitan Square #3600
St. Louis, MO 63102

U.S. Trustee
Becker Building
Room 1100
401 Main Street
Peoria, IL 61602

A handwritten signature in black ink, appearing to read "Mark Wallace", is written over a horizontal line.

GENERAL TOLLS MATERIALS AGREEMENT

This agreement dated as of Jan. 1, 2000 is between Delphi Automotive Systems, (hereinafter referred to as "DAS") and Chemetco (hereinafter referred to as "CCO").

1. Agreement to Furnish Conversion/Fabrication Services.

Upon and subject to the terms and conditions of this Agreement, CCO agrees to provide all services necessary to upgrade DAS copper-bearing scrap into usable form(s) at DAS Toll Locations (hereinafter collectively referred to as "Scrap"). Charges by CCO for such conversions shall be in accordance with the pricing set forth in the applicable Purchase Order(s) and/or Contract(s) issued to CCO pursuant to Section 3.01 of this Agreement.

2. Delivery of Scrap.

2.01 DAS shall from time to time furnish to CCO copper-bearing scrap as bailed material, to be upgraded by CCO into scrap usable as Brass Mill feed and/or cathode.

2.02 All DAS scrap shall be picked up at the generating locations by CCO.

2.03 CCO shall promptly inspect each shipment of scrap to ensure that the items received are suitable for upgrade and in the quantities indicated on the shipping documentation. In the event CCO believes that any of the scrap is not suitable for upgrade, or if such scrap is not in the quantities indicated on the shipping documentation, CCO shall, within three (3) working days after the receipt of such scrap, notify DAS of such unsuitability and/or discrepancy in quantity. Scrap mutually determined by the parties to be unsuitable for upgrade shall be segregated by CCO and thereafter returned to DAS or disposed of in accordance with DAS's instructions. Should CCO fail to comply with the

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foregoing notification procedures, it shall be presumed conclusively that the Scrap was received by CCO in acceptable condition and in the quantities indicated.

3. Procedures: Scrap Upgrade Services

3.01 Prior to Jan. 1st, of each year, DAS or its Divisions shall issue one or more Purchase Orders to CCO for the upgrade services to be purchased during the upcoming year. Such Purchase Orders shall indicate the upgrade charges agreed upon by DAS or its Divisions and CCO, and shall contain the following clause on the face thereof:

The upgrade services to be furnished by CCO under this Purchase Order shall be furnished upon and subject to the terms, conditions and provisions of the Scrap Upgrade Agreement dated as of Jan. 1, 2000 by and between DAS and CCO.

3.02 On or before Jan. 1st of each year, DAS shall provide CCO with an estimate of the minimum and maximum tonnage of scrap which DAS anticipates having CCO upgrade during the ensuing year. It is understood, however, that such estimates are provided to CCO for planning purposes only, and are not to be construed as requiring DAS to have any minimum tonnage of scrap upgraded by CCO during the year or as a limitation of the tonnage of scrap which CCO may be required to upgrade for DAS.

3.03 Orders for CCO's upgrade of scrap shall be effected by the release of material to CCO by DAS or its locations.

3.04 CCO hereby warrants that the services to be performed by it under this Agreement shall be performed in conformance with upgrade directions provided by DAS or its Divisions and that the upgraded scrap and/or copper cathode shall be acceptable to the Toll Location, on behalf of DAS.

4. Property of DAS; CCO's Obligations With Respect to DAS's Property.

4.01 CCO acknowledges that the scrap, upgraded by CCO for DAS under Agreement is the property of DAS and is being held by CCO on a bailment basis.

4.02 CCO shall reflect on its books and records that the items described in Section 4.01 are the property of DAS and not property of CCO. Additionally, CCO shall furnish DAS on a

monthly basis a written inventory of DAS's property in CCO's possession. Such inventories will be in such form and with such form and with such detail as required by DAS.

4.03 All property of DAS shall be kept at CCO's facility(ies) until removed by or shipped to DAS or its Toll Locations. It is understood that it may be necessary for CCO to commingle DAS's property with that of CCO or others in order for CCO to perform upgrade services for DAS; however, CCO shall, whenever practicable, segregate such items from the property of CCO or any third party.

4.06 CCO shall be responsible for all shortages of, or damage and destruction to, DAS's property while in CCO's possession.

5. Property Taxes.

DAS shall be responsible for the payment of any personal property taxes assessed against the property of DAS in CCO's possession pursuant to this Agreement.

6. Return of DAS Property.

Upon expiration, termination or cancellation of this Agreement, CCO shall ship to DAS freight collect, all of DAS's property. Additionally, DAS shall at any time have the right to take possession of all or any part of its property in possession of CCO.

7. Term.

The term of the Agreement is from Jan. 1, 2000 through Dec. 31, 2000. This Agreement shall automatically be extended beyond that date so long as CCO has a continuous supplier relationship with DAS for scrap upgrade services.

8. Purchase Order Terms, Conditions and Provision.

The terms, conditions and provisions set forth on the face and reverse side of any Purchase Order issued by DAS or its Divisions to CCO pursuant to Section 3.01 above shall be construed as consistent with and cumulative to the provisions of this Agreement; provided however, that:

- (i) Any reference therein to "Buyer" shall mean DAS or one of its Divisions as a buyer of services and any reference therein to "Seller" shall mean CCO as a seller of services; and
- (ii) In the event of any conflict between such terms, conditions and provisions of this Agreement, the provisions of this agreement shall control.

9. Grant of Security Interest.

9.01 As security for all of CCO's obligations under this Agreement, CCO hereby grants to DAS a security interest in all Scrap; all scrap upgrade and other services performed by CCO for DAS; and all proceeds (including proceeds of insurance), returns, substitutions and replacements thereof or therefrom (collectively, the "Collateral").

9.02 DAS shall have the right to file financing statements in the public record as it deems necessary to perfect its interests in the Collateral, and CCO hereby grants to DAS a power of attorney to execute any such documents on behalf of CCO.

9.03 CCO shall not lend, rent, encumber, pledge, lease, transfer or otherwise use or dispose of the Collateral except to DAS; and CCO shall keep the Collateral free and clear from unpaid charges, including taxes, and free and clear from liens, encumbrances and security interests other than those of DAS. Additionally, CCO agrees that it will use its best efforts to procure from any and all third parties such documents as DAS deems necessary to protect DAS's interest(s) in the Collateral from any claims or interests of such third parties.

10. Setoff/Recoupment.

In addition to other rights DAS may have under this Agreement, any purchase orders/contracts with CCO, or applicable law, DAS shall have the right to setoff against or recoup from any amounts owing to CCO, on any basis, any amounts owing to DAS or to General Motors under this Agreement or otherwise. DAS may exercise these setoff and recoupment rights without first demanding payment from CCO.

11. Notices.

All notices required or permitted hereunder shall be in writing and shall be deemed duly given when personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by telex, facsimile transmission or cable confirmed by letter as aforesaid addressed as follows:

If to Delphi Automotive Systems
Timberland Office Park
1450 West Long Lake
Mail Code: 480-414-270
Troy, Michigan 48098
Attention: Kevin Cope
Telephone Number: (248) 267-5979
Facsimile Number: (248) 267-5985

If to Chemetco
16400 S. Lathrop
Harvey, Illinois 60426
Attention: Jack Henry
Telephone Number: (708) 339-5700
Facsimile Number: (708) 339-0219

or to such other address as either party may hereafter designate in writing by like notice.

12. Modifications and Amendments.

No addition to, deletion from or modification of any of the provisions of this Agreement, shall be binding upon the parties unless made in writing and signed by a duly authorized representative of each party. This Agreement shall be the final, complete and exclusive statement of the terms of the Agreement between CCO and DAS relating to the Scrap and their handling. Any such additions, deletion or modifications shall refer specifically to this Agreement and shall also state that it is an amendment thereof.

13. Relationship of the Parties.

This Agreement does not constitute CCO or DAS the agent or legal representative of the other for any purpose whatsoever, and neither DAS nor CCO is granted any express or

implied right or authority to assume or to create any obligation or responsibility on behalf of or in the name of the other or to bind the other in any manner or thing whatsoever.

14. Waivers.

The failure of either party at any time to require performance by any party of any provision hereof shall in no way effect the full right to require such performance at any time thereafter.

The waiver by either party of a breach of any provision hereof shall not constitute a waiver of any succeeding breach of the same or other such provision nor constitute a waiver of the provision itself. The failure of either party to exercise any of its rights provided under this

Agreement shall not constitute a waiver of such rights.

IN WITNESS WHEREOF, Chemetco and Delphi Automotive Systems have caused this Agreement to be executed in multiple counterparts by their duly authorized representatives as of the day and year first above written.

DELPHI AUTOMOTIVE SYSTEMS

By Ken Flora By _____
Title Commodity Mgr. Title _____
Date Nov. 30, 1999 Date _____

CHEMETCO

By J. C. Henry By _____
Title BUYER Title _____
Date 12/8/99 Date _____

1198010003 - Madison County

Chemetco, Inc.

Date of Inspection: July 11, 2001

Prepared by: Chris Cahnovsky

NARRATIVE

On July 11, 2001, I conducted a Compliance Evaluation Inspection at Chemetco, Inc. in Hartford, Illinois. Present during this inspection was Heather Young, Chemetco's Environmental Manager. Chemetco, Inc. is a secondary copper smelter that operates four 70-ton top-blown rotary furnaces, which bronze, smelt and refine copper and other metal-bearing scrap. Chemetco produces anode copper, crude lead-tin solder, crude zinc oxide (ZnO) and slag.

Chemetco is regulated as an interim status facility undergoing closure of several RCRA units and as a large quantity generator of hazardous waste. Chemetco is also operating several unpermitted hazardous waste storage units. In March 1993, Chemetco submitted a Part B Closure/Post-Closure Permit Application for the "Dirty Closure" of the zinc oxide bunker (S03), floorwash water impoundment (D83), cooling water canals (D83) and the zinc oxide lagoons (D83). The Agency approved the closure for these units on January 29, 1993. The approval letter required that closure of these units be completed by November 1, 1994. Closure has not been completed.

On September 18, 1996, during a Compliance Evaluation Inspection (CEI), the Agency discovered that Chemetco was discharging zinc oxide into a wetland that flows into Long Lake. Consequently, the Agency alleged violations about the disposal of hazardous waste in an unpermitted surface impoundment (D83). During the September 1996 CEI, the Agency also discovered that Chemetco disposed of refractory brick, gunning material and other waste on the south side of Oldenburg Road. Chemetco excavated this area and created three hazardous waste piles (S03). The Agency has alleged violations concerning the disposal of hazardous refractory brick and gunning material and for the creation of three unpermitted hazardous waste piles.

At the Hartford plant, Chemetco generates hazardous waste, special waste and universal waste. The hazardous wastes include baghouse bags (D006 and D008), filter press cloths (D006 and D008), zinc oxide (D006 and D008), slag fines from the granulated slag and screening process (D008) and baghouse dust (D006 and D008). Other hazardous wastes include absorbent and oil (D008), black pipe and hose (D008), excavation soil (D006 and D008), demolition debris (D006 and D008) and aerosol can waste (D001). The nonhazardous wastes include used oil, oily water and refractory brick. The universal wastes generated by Chemetco include spent fluorescent light tubes and batteries.

EXHIBIT

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1198010003 - Madison County
Chemetco, Inc.
Page 2 of 7

The following is a summary of the plant tour.

Used Oil Storage Tank

Chemetco stores used oil in a 1,200-gallon above ground storage tank located within secondary containment. I observed that the tank was properly labeled and contained about 800 gallons of used oil. The used oil is picked up by Safety-Kleen as a nonhazardous waste. In the used oil tank's secondary containment was a large amount of oily water. Safety-Kleen also picks up this oil/water mixture from the containment as a nonhazardous waste.

Number #2 Baghouse Dust Collection Trailer

A trailer is used to collect baghouse dust from the #2 Baghouse. Several times the Agency has observed dust leaking from this trailer. Chemetco has started daily trailer inspections. When the trailer is observed leaking, it is fixed. During this inspection, I did not observe any dust leakage from the trailer seal. It appears that Chemetco has addressed the trailer leakage problem.

The #2 Baghouse collects emissions from the roof over the furnaces. This baghouse dust, along with the baghouse dust from the #1 Baghouse is transported to the Fines Building where it is injected into the DIS. Chemetco injects this baghouse dust to the furnaces to reduce the temperature of the bath, even out the consistency of the bath and to absorb moisture in the bath. The baghouse dust is used in the furnace as a substitute for sand.

Zinc Oxide Filter Press

Zinc oxide slurry is generated by the venturi scrubber system. The scrubber system collects air emissions from the furnace. The scrubber water is then discharged to the polishing pits (an open concrete pit) where settling occurs. The solids from the polishing pits are further dewatered in a plate and frame filter press. The resulting dewatered material is what is referred to as zinc oxide. The current generation of zinc oxide is either sold to Elmet S.L. in Spain or injected into the DIS. Allegedly, the zinc oxide sent to Spain is mixed with copper/tin oxide purchased from another company. The zinc oxide/copper/tin oxide mix is loaded onto trucks at the Fines Building and transported to the Phoenix Terminal located along the Mississippi River in Hartford, Illinois.

1198010003 - Madison County
Chemtco, Inc.
Page 3 of 7

Black Acid Tank (S02)

Chemtco has completed the removal of all hazardous waste from the Black Acid Tank. The last shipment of waste from the clean out of the interior of the tank was shipped to Waste Management of Ohio on March 10, 2000. Chemtco cleaned the outside of the tank in 2000 and shipped 55 gallons of leaded paint chips to Chem-Met Services. Chemtco submitted a RCRA partial closure plan for the Black Acid Tank on August 12, 1999. The Illinois EPA approved this partial closure plan on November 17, 1999. Chemtco is attempting to "Clean Close" this unit.

Granulated Slag Drying and Screening Plant (GSDSP)

In the GSDSP, water-cooled slag is dried and screened to make grit for shingle backing. On the east of the GSDSP plant, a conveyor dumps undersized slag fines onto a concrete slab. The Agency has sampled these fines and determined that they exhibit the toxic characteristic for lead. Chemtco has also determined that the slag fines exhibit one or more characteristics of a hazardous waste. Ms. Young told me that the slag fines do not consistently pass the TCLP. These fines are stored in piles behind the granulation pad, on the west side of the water barge and on the south side of the Zinc Oxide Bunker. The pile of slag fines on the south side of the bunker is being stored on top of sheet of plastic. This pile has also been covered with sheets of plastic. The slag fines have historically been dumped at various locations on the air-cooled slag piles. The Agency has previously alleged violations about the unpermitted storage of slag fines in waste piles.

According to a November 19, 1997 letter from Chemtco to the Agency, Chemtco states that about 60,000 tons of fines are generated per day. About 45,000 pounds of slag fines are added to the furnace via the DIS per day. Per Chemtco, the slag fines are used as a substitute for sand in the production process of copper. Slag fines are used to reduce the temperature of the metal bath.

Slag

Slag is generated as a by-product of the Chemtco's process. The Illinois EPA and the USEPA have both tested the slag generated by Chemtco. Both Agencies have determined that the slag fails the TCLP for lead. Ms. Young stated that Chemtco has a use for all the slag being currently generated. She stated that most of slag is water cooled and sent to GSDSP. A small percentage of the slag is skulls. Skulls are now stored at the north end of the furnace. These skulls are charged back to the furnace.

1198010003 – Madison County
Chemetco, Inc.
Page 4 of 7

Zinc Oxide Bunker (S03)

The ZnO bunker is approximately 365 feet by 310 feet and has a capacity of 3,000,000 gallons. The ZnO bunker contains about 40,000 tons speculatively accumulated crude zinc oxide, slag and remediation waste from the former zinc oxide pile, cooling canal and zinc oxide lagoons. The zinc oxide in the bunker is characteristically hazardous for lead (D008) and cadmium (D006). The zinc oxide bunker has a concrete containment wall and a system for run-off collection. The run-off from the pile is collected and piped back into the bunker.

Two methods are being used to control wind dispersion of the zinc oxide pile. Large pieces of slag have been placed on the west and a north side of the pile to reduce erosion and a surfactant called Coherex is applied to the pile. According to Ms. Young, Chemetco is having Coherex applied to the pile annually. Information supplied by Ms. Young showed that Coherex was applied to the pile on October 17, 2000 and March 14, 2001 by CAM, LLC.

Refractory Brick

On the south side of the Zinc Oxide Bunker, I observed a Kress Pot containing refractory brick. The furnaces at Chemetco use both safety-liners and working liners. The safety liner consists of clay bricks. This liner is placed in the furnace behind the working liner. The working liner is in constant contact with the metal in the furnaces. The safety liner can also have contact with metal through cracks or failures in the working liner. The copper content of the used brick can vary depending on the furnace and its utilization.

Chemetco segregates the refractory into brick that has been in contact with metal and brick that have not been in contact with metal. The brick that has sufficient metal content for recovery is charged to the furnace and the brick that has little metal content is landfilled. Chemetco sampled the refractory brick on August 18, 1999. The results showed that the brick was nonhazardous. Chemetco profiled the waste with Waste Management, Inc. on September 10, 1999. Chemetco's last shipment of brick to the Chain of Rock Landfill was January 23, 2001.

The brick that I observed in the Kress Pot appeared to contain other material besides brick. Ms. Young stated that this brick would be sent to the landfill next week. It appears that other types of wastes are being mixed with the refractory brick. It is not known if past loads of refractory brick that were sent to Chain of Rocks contained this material.

On July 19, 2001, I returned to this site to obtain a sample of the waste refractory brick. The refractory brick in the Kress Pot had been emptied on the concrete lot behind the Hazardous Waste Accumulation Building. According to Ms. Young, this pile contained about 24 to 36 yd³ of refractory brick, clinkers, sand and clay refractory.

1198010003 – Madison County
Chemetco, Inc.
Page 5 of 7

I obtained a composite sample of the pile using a stainless steel scoop. I randomly obtained a scoop of waste from various places in the pile and placed each scoop in a stainless steel bucket. Sample X201 consisted of brick waste under 2-inches in diameter and Sample X202 contained brick waste over two-inches in diameter. Both samples were placed in glass jars with polyethylene lids. The two-inch diameter pieces of brick waste in Sample X202 were placed in a plastic bag and crushed using a neoprene rapped hammer. The sample was placed back in the sample jar and sealed with evidence tape. Sample X201 and X201 were shipped to the Illinois EPA's Champaign laboratory to be analyzed to TCLP metals. Chemetco collected three samples from the waste in the bucket.

Hazardous Waste Accumulation Building

Chemetco accumulates containerized hazardous waste in the Hazardous Waste Accumulation Building. This building is location on the west side of the metals yard. In this building, I observed thirteen 55-gallon drums of nonhazardous grease, one 55-gallon drum of respirators, fifteen 55-gallon drums of oil absorbent material (D008) and two bags filter press cloths and baghouse bags (D006 and D008). I also observed one 55-gallon drum of nonhazardous waste alumina. According to Ms. Young, Chemetco had an oil leak at the casting wheel and this is why there is so much oil and absorbent waste in the building.

Two drums of oil absorbent were not labeled with the words "Hazardous Waste", 35 IAC 722.134(a). Ms. Young labeled both drums before leaving the area. No further actions are needed to address this issue. I observed that four drums of oil absorbent waste were open, 35 IAC 725.273(a). On July 12, 2001, I received an E-mail from Ms. Young stating that the drums were sealed by 16:30 on July 11, 2001. Therefore, no further actions are needed to address this issue.

Refractory Brick Disposal Area (S03)

During the September 18, 1996 CEI, the Agency discovered that Chemetco had disposed of waste refractory brick, gunning material and other waste in an area south of Oldenburg Road. On April 21, 1997, the Agency sampled this waste and the results showed that the brick and gunning material were characteristically hazardous for lead (D008). Chemetco excavated the area and created three unpermitted waste piles of excavation waste. One waste pile consisted of handpicked refractory brick and other waste. The other two piles consist of excavated soil, rock, refractory brick and other waste. The two piles of excavation waste were designated by Chemetco as Fill Pile #1 and Fill Pile #2. These two piles total about 1,000 tons of waste. The Agency has previously alleged violations about the unpermitted storage of refractory brick waste in waste piles.

1198010003 - Madison County
Chemetco, Inc.
Page 6 of 7

Chemetco shipped 44.24 tons of refractory brick waste from the refractory brick waste pile to Chem-Met Service in Brownstown, Michigan. Between May 3 and May 11, 2000, Fill Piles #1 and #2 were excavated and shipped to Peoria Disposal Company in Peoria, Illinois as a hazardous waste (D008). Chemetco shipped about 847 tons of soil to PDC. Chemetco submitted a RCRA Closure Plan for this area in July 2000. The Phase 1 -Closure Plan for "Non-Clean Fill Area" is currently under review by the Illinois EPA.

Zinc Oxide Release Area (D83)

Chemetco has impounded the hazardous zinc oxide waste released into the wetland south of Oldenberg Road and released to Long Lake. The zinc oxide remediation area consists of four impoundments. Zinc oxide waste has been consolidated into one impoundment, Containment Area #1. Chemetco submitted a plan called the Zinc Oxide Spill Remediation Plan, Phase I - Material Removal and Partial Closure in March 1998. This plan outlined Chemetco's plan to clean up the released zinc oxide. The Agency approved this partial closure plan with conditions on June 10, 1998. Chemetco appealed several conditions in the partial closure plan approval letter to the Illinois Pollution Control Board. Through negotiations with the Agency, Chemetco dropped the permit appeal and submitted a revised partial closure plan in January 2000. This plan was approved by the Agency with conditions on April 26, 2000.

Chemetco submitted a Remedial Action Plan Permit Application (RAPP) on April 17, 2000 for the construction and operation of a temporary on-site container treatment unit. Chemetco proposed to treat the hazardous waste stored in Containment Area #1 in this temporary unit to render it nonhazardous and to meet the Land Disposal Restriction treatment standards. The Illinois EPA approved the RAPP on October 5, 2000.

In December 2000, Chemetco began removing hazardous waste from Containment Area #1, portion of Containment Area #2, the inlet ditch and under the rock road. The removal began by removing water from Containment Areas #1 and #2. This wastewater was shipped to the St. Louis Metropolitan Sewer District in St. Louis, Missouri. Chemetco began to treat the waste pursuant to the RAPP. Ten loads of waste were initially treated. Chemetco could not meet the LDR treatment standards using this treatment method. The temporary treatment unit was removed and the remaining hazardous waste shipped off-site untreated. Between December 2000 and July 2001, Chemetco shipped 5,800 tons of hazardous waste soil to Peoria Disposal Company in Peoria, Illinois. According to Ms. Young, Chemetco has removed all of the soil that is characteristically hazardous for lead and cadmium from Containment Areas #1 through #4.

1198010003 - Madison County
Chemetco, Inc.
Page 7 of 7

The portion of Long Lake outside of the impoundments has not been cleaned up by Chemetco. Levels of cadmium exceeding the TCLP limit of 1.0 mg/L have been found directly outside of Containment Area #3. TCLP levels of Cadmium have also been found about 900 feet downstream of Containment Area #3. Chemetco has claimed that the zinc oxide found in Long Lake outside of Containment Area #3 may have come from other sources and not from the 10-inch unpermitted discharge pipe. Chemetco has proposed to conduct a Risk Assessment of this Area.

Stormwater Impoundment

Chemetco has constructed a 1-million gallon storm water retention lagoon. The lagoon is lined with a high-density polyethylene liner. According to Ms. Young, the impoundment receives only storm water run-off. Chemetco has constructed a large concrete trench on the south side of the plant to collect any water that flows across Oldenburg Road. From the trench, the water gravity flows through a hard piping to the impoundment. A hard pipe has been laid on part of the north side of the slag pile and the whole east side of the slag pile. This pipe is outside the fence line and is intended to catch any water run-off from the slag piles. The hard pipe ties into the hard pipe from trench system and flows to the impoundment.

I completed a review of the facility's operating records during this inspection. I noted no discrepancies on the 1999, 2000 and 2001 Uniform Hazardous Waste Manifests, 1999 and 2000 Hazardous Waste Reports, RCRA Contingency Plan or RCRA training program.

In 2000, Chemetco shipped several loads of nonhazardous grease to Perma-Fix in Brownstown, Michigan. Chemetco failed to submit a 2000 Illinois Nonhazardous Waste Report for special waste shipped out of state. The report is required pursuant to 35 Ill. Adm. Code 809.501(h). On July 12, 2001, I received an E-mail from Ms. Young stating that the special waste annual report for waste sent out of state has been completed and is being sent by certified mail toady. I received a copy of Chemetco's 2000 Illinois Nonhazardous Waste Report on July 12, 2001. No further actions are needed to address this issue.

Violations concerning the zinc oxide discharge to Long Lake, the refractory brick disposal area and the refractory brick remediation waste piles remain unresolved at this time. In addition, issues concerning the disposition of the slag fines and baghouse dust on the slag pile, along with other waste management violations, remain unresolved.

1198010003 - Madison County

Chemetco, Inc.

Date of Inspection: October 30, 2001

Prepared by: Chris Cahnovsky

NARRATIVE

On October 30, 2001, Mike Grant, Jeff Benbenek (BOA), Nick Mahlandt (BOW) and I conducted an inspection at Chemetco, Inc. It was reported to FOS that Chemetco was closing. Chemetco, Inc. is a secondary copper smelter that operates four 70 to 90 ton top-blown rotary furnaces, which smelt and refine copper and other metal-bearing scrap. Chemetco produces anode copper, crude lead-tin solder, crude zinc oxide (ZnO) and slag. Chemetco employs about 120 people.

We met with Heather Young, John Suarez and Kim Fock of Chemetco. According to the owner John Suarez, Chemetco filed Chapter 7 or 11. Chemetco will be liquidating their assets. The secured creditor is Commerce Bank of St. Louis. He stated that Chemetco might keep a skeleton crew on-site to move out inventory for the next 27 days. All incoming material is being turned away at the gate. Chemetco has closed all of their metal warehouses across the country.

According to Plant Manager Kim Fock, the furnaces will be shut down by tomorrow afternoon. Mr. Fock stated that 90 percent of the reason why the plant is closing is because of the Federal criminal penalty of \$3.8 million.

There is a large amount of "product" still on-site. This material consists of copper pot slag (25% Cu), lead/tin skimmings and turnings, shredded printed circuit boards and zinc oxide. Chemetco intends to sell this material, if the bank allows the sale. If not, this material will be a waste. Some of the product has such low copper value that it may not worth selling and will become a waste.

The furnace was operating during this inspection. The wet venturi scrubbers were in poor repair. Zinc oxide and untreated scrubber water were being discharged to the pad behind the foundry via drops outs to the mist eliminator, the clean-outs for the wetted elbows and a broken pipe on the quencher discharge on the #3 scrubber system. The sludge and water are just being dumped on the pad behind the facility. This area drains to a sump that pumps it the polishing ponds. However, if the pumps are shut off this waste will remain on the pad, subject to run-off and wind dispersion.

Visual Inventory Assessment on October 30, 2001.

1. The baghouse for the roof and the dust collection trailer still contain tons of zinc oxide bag house dust. This material is allegedly sold to Elmet SL in Spain. The ZnO dust is characteristically hazardous for lead and cadmium.
2. The cells in the former electrolytic refining operation were used in the venturi scrubber slurry dewatering process. The cells may still contain tons of zinc oxide.

1198010003 – Madison County
Chemetco, Inc.
Page 2 of 3

3. On the east side of the Maintenance Shed there were nineteen (19) 55-gallon drums of lubricants, six (6) 55-gallon drums of grease and two (2) 55-gallon drums of hydrochloric acid. These appear to be new product drums. Also observed were two drums of hazardous absorbent waste (D008 and D006). All of these drums were in about seven inches of water. This area is located next to a storm water collection sump. Water has overtopped the sums and has flooded this area of the plant. Water was slowly flowing over Oldenberg Road.
4. The East/West Cooling Canals were full of water. These two canals contain large amounts of zinc oxide. These canals were the source of the zinc oxide discharge to Long Lake.
5. The Polishing Ponds are the settling and water recirculation ponds for the scrubber water. These ponds are full of zinc oxide. The ponds had less than one-foot of freeboard.
6. The area behind the foundry is where the air pollution control equipment is location. The scrubbers were discharging zinc oxide on the pad behind the foundry. Tons of this waste has been discharged to the ground.
7. The North Cooling Canal was full of water. This canal contains a large amount of slag fines that are characteristically hazardous for lead.
8. The Foundry is full of uncharged scrap and several piles of unknown fines. We did not enter the foundry due to safety concerns and respiratory hazards.
9. The Fines Building is full of fines. Most of the fines are wet scrubber sludge (D008 and D006), copper fines and slag fines. Allegedly, this material will be sold.
10. Zinc Oxide Bunker is a 40,000-ton bunker of zinc oxide. The storm water collection sums around the bunker were full and overflowing. If the electricity were shut off, the run-on/run-off system on the bunker will no long operate. In time, the bunker could fill with water and overflow, especially on the southeast side.
11. The hazardous waste accumulation building was full of waste. The building contained about eight (8) 55-gallon drums, several super sacks and boxes of hazardous waste (D008). This waste is dry lead contaminated oil absorbent, plastic pipe, baghouse bags and filter press cloths. There were about thirty (30) 55-gallon drums of nonhazardous special waste in this building. This waste is mainly grease.

1198010003 – Madison County
Chemetco, Inc.
Date of Inspection: November 1, 2001
Prepared by: Chris Cahnovsky

NARRATIVE

On November 1, 2001, Nick Mahlandt (IEPA/BOW) and I went to Chemetco, Inc. in Hartford, Illinois to collect samples. Mr. Mahlandt collected three water samples. Two samples were taken of the Oldenberg Road stormwater holding lagoon and one sample was taken of Chemetco's NPDES 002 outfall. A copy of Mr. Mahlandt's report is attached.

The purpose of my sampling was to collect sediment samples from the Oldenberg Road stormwater holding lagoon. I observed very little sediment in this lagoon. There was not enough sediment to collect a sample. Most of the sediment appeared to be a greenish substance associated with algal growth.

I obtained a soil sample from underneath the opening of the large diameter plastic discharge pipe to the impoundment. This sample was labeled X101. Sample X101 had a TCLP lead level of 23 mg/l and a TCLP cadmium level of 3.1 mg/l. This is above the lead limit of 5.0 mg/l and 1.0 mg/l for cadmium. The total lead value was 3900 mg/kg and the total cadmium value was 150 mg/kg.

Stormwater that leaves the south side of the plant and flows over Oldenberg Road is collected in a concrete ditch. This ditch is hard piped to the Oldenberg Road stormwater holding lagoon. I obtained a sample of the sediments in this ditch. The sediment in this ditch would eventually wash into the impoundment. This sample was labeled X201. Sample X201 has an extremely high lead level of 1,500 mg/kg. The TCLP lead level was 2.6 mg/l. The cadmium level was 32 mg/kg totals and 0.62 mg/l TCLP.

FILED

DEC 10 2001

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF ILLINOIS

IN RE:)
CHEMETCO, INC.,) Case No. 01-34066
Debtor) Chapter 7

CLERK, U.S. BANKRUPTCY COURT
SOUTHERN DISTRICT, ILLINOIS

NOTICE OF ENTRY OF SEAL ORDER PURSUANT TO SECTION 34
OF THE ILLINOIS ENVIRONMENTAL PROTECTION ACT

Now comes James E. Ryan, Attorney General of the State of Illinois, on behalf of the Illinois Environmental Protection Agency and submits this Notice of Entry of Seal Order pursuant to Section 34 of the Illinois Environmental Protection Act for purposes of protection of human health by restricting access to portions of the Hartford, Illinois, facility of the Debtor, Chemetco, Inc.

1. Pursuant to Section 34(b) of the Illinois Environmental Protection Act, 415 ILCS 5/34(b) (2000), the Illinois Environmental Protection Agency (the "Illinois EPA") is authorized, pursuant to the State's police and regulatory power, to issue a seal order to restrict or eliminate access to property when an emergency condition exists creating an immediate danger to health.
2. As a result of the manner in which Chemetco ceased operations at the Hartford facility, an emergency condition creating an immediate danger to health exists throughout much of the Hartford facility, including the smelting building and the fines building. Therefore, the Illinois EPA has issued a Seal Order, attached hereto as Attachment A covering certain portions of the Hartford facility where conditions exist which pose an immediate danger to health.
3. Under the Seal Order, access to sealed portions of the facility would be subject to review, approval, and conditions set by Illinois EPA.
4. Pursuant to 11 U.S.C 362(b)(4), the issuance of the Seal Order would not be subject to

EXHIBIT

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1198010003 – Madison County
Chemetco, Inc.
Page 3 of 3

12. An inventory of scrap could not be obtained during this inspection. However, I did observe about 500 tons of CuPro, an intermediate slag (25% copper), several tons of tin cans, over 100 55-gallon drums of lead/tin turnings and skimmings. I also observed piles of slag, copper fines, copper scrap and printed circuit boards. This material will allegedly be sold.

The main issues are:

1. Site Security. When Chemetco totally leaves the site, there may be no security. This site is highly contaminated with very fine lead and cadmium dust. Cadmium is highly toxic. The foundry and scrubber system are areas where someone trespassing could be seriously hurt. Currently, there is a security guard on site 24 hours a day.
2. Site Flooding. Chemetco currently uses 180,000 gallons of water per day. Much of this water is storm water. This site is 22 acres of roofs and concrete. This water will have nowhere to go when the plant shuts down. The about one million gallon storm water impoundment, the north and east cooling canals and the polishing pond are all full of water. The million-gallon impoundment has almost no freeboard. Once it starts overflowing it will flow into Long Lake. This impoundment should have only received storm water. However, it does receive water from the cooling canals that contained zinc oxide.

The Polishing Ponds are full of lead and cadmium contaminated sludge and water. There is less than one foot of freeboard in the Ponds. When this pond overflows, lead and cadmium slurry will flow to the rear of the foundry and into the East/West Cooling Canal.

3. Fugitive Dust Emissions. This site is covered in zinc oxide and slag fines. Chemetco has stopped all dust suppression activities. When this stuff dries out it will be subject to wind dispersion. Zinc oxide contains lead, cadmium, zinc and copper. The slag contains lead, zinc and copper.

1198010003 - Madison County
Chemetco, Inc.
Date of Inspection: November 1, 2001
Prepared by: Chris Cahnovsky

NARRATIVE

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FILED

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF ILLINOIS

DEC 10 2001

IN RE:

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Case No. 01-34066

CHEMETCO, INC.,

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Debtor

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Chapter 7

CLERK, U.S. BANKRUPTCY COURT
SOUTHERN DISTRICT, ILLINOIS

NOTICE OF ENTRY OF SEAL ORDER PURSUANT TO SECTION 34
OF THE ILLINOIS ENVIRONMENTAL PROTECTION ACT

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3. Under the Seal Order, access to sealed portions of the facility would be subject to review, approval, and conditions set by Illinois EPA.

4. Pursuant to 11 U.S.C 362(b)(4), the issuance of the Seal Order would not be subject to



the automatic stay under 11 U.S.C. 362(a)(1) or (3) as a proceeding to enforce the State's police and regulatory power. The state has notified the Trustee of its intent to issue the Seal Order and as of the date of filing of this motion, the Trustee has not objected to issuance of the Seal Order to protect human health.

5. The Illinois EPA agrees that the Trustee shall be provided access to the sealed portion of the facility under conditions necessary to protect human health for purposes of performing her duties as Trustee and the Seal order recognizes the opportunity to obtain such access.

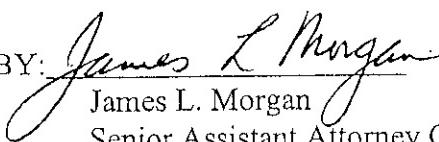
WHEREFORE, the Illinois Environmental Protection Agency notifies this Court of the entry of the attached Seal Order.

Respectfully submitted,

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

JAMES E. RYAN
ATTORNEY GENERAL
STATE OF ILLINOIS

BY:


James L. Morgan
Senior Assistant Attorney General
Environmental Bureau
500 South Second Street
Springfield, Illinois 62706
Phone: 217-524-7506; Telefax: 217-524-7740

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

IN THE MATTER OF:)
)
)
Chemetco, Inc. facility, Madison County.)

SEAL ORDER

The Illinois Environmental Protection Agency ("Illinois EPA") issues this seal order pursuant to the authority vested in it by Section 34(b) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/34(b).

I. DESCRIPTION AND LOCATION OF FACILITY

The Chemetco, Inc. facility ("Facility") is located in Hartford, Madison County, Illinois. The portions of the Facility to which this seal order applies are as follows:

- a. All areas within the fencing in place surrounding the plant portion of the Facility as of the date of this order, excluding the main office. See Attachment A.
- b. The truck parking area consisting of fill and slag that is located to the south of the fenced portion of the Facility and is adjacent to Oldenberg Road. See Attachment B.
- c. The area impacted by the illegal discharge south of the fenced portion of the Facility, including the four containment areas and that portion of Long Lake owned by Chemetco, Inc. See Attachment C.
- d. The area containing the groundwater interceptor system, known as the SID system, located south of the fenced portion of the facility and east of the discharge area. See Attachment B.
- e. The surface impoundment located south of Oldenburg Road and east of the SID system. See Attachment B.

II. PARTIES BOUND

This order is binding on and prohibits entry onto the sealed portions of the Facility for all persons except the following:

- a. Employees, authorized agents or contractors of the Illinois EPA.
- b. Employees, authorized agents or contractors of the United States Environmental Protection Agency.
- c. Local police, fire and emergency personnel entering in the course of their duties.
- d. Other persons who have received written authorization to enter the Facility from the Illinois EPA and who enter the Facility in a manner in accordance with any instructions contained within the written authorization.

III. FINDINGS

1. The Facility is a former copper smelter located in Hartford, Madison County, Illinois. During its operation, the Facility generated sludges, baghouse dust, refractory brick, acids and other materials.
2. The operator of the Facility, Chemetco, Inc., filed bankruptcy under Chapter 7 in the U.S. Bankruptcy Court for the Southern District of Illinois on November 13, 2001 and is no longer managing the Facility.
3. The Facility has eight hazardous waste management units subject to closure requirements under the Resource Conservation and Recovery Act ("RCRA"). Closure has not been completed at any of these units.
4. A large pile of slag, estimated to be in excess of 100,000 tons, is located at the facility. This slag has tested as hazardous for the toxicity characteristic for lead. Slag fines are also located on the pile of slag.

5. A large bunker, known as the zinc oxide bunker, also contains sludges that have tested hazardous for the toxicity characteristic for lead.

6. Chemetco, Inc. pled guilty in the U.S. District Court for the Southern District of Illinois to violating the Clean Water Act by discharging wastewaters containing hazardous levels of lead and cadmium into a wetlands area and Long Lake over the course of approximately ten years. This discharge took place to the south of the fenced portion of the Facility, across Oldenberg Road and resulted in the deposition of hazardous contaminants in a wetlands area and Long Lake. The RCRA closure plan for the areas related to this discharge has not been completed.

7. A groundwater interceptor system, known as the SID system, is located to the south of the fenced portion of the facility and east of the discharge area.

8. A surface water impoundment is located to the south of the fenced portion of the Facility. This impoundment has received waters from the plant that may contain contaminants. The impoundment also does not have any physical barrier to access.

9. Fines and other materials containing hazardous levels of lead and cadmium are uncontained and located throughout the Facility.

10. The various contaminants described may become airborne and may be transported by flowing water.

11. The conditions at the Facility constitute an emergency that may pose an immediate threat to human health for any person entering into the Facility.

IV. ORDER

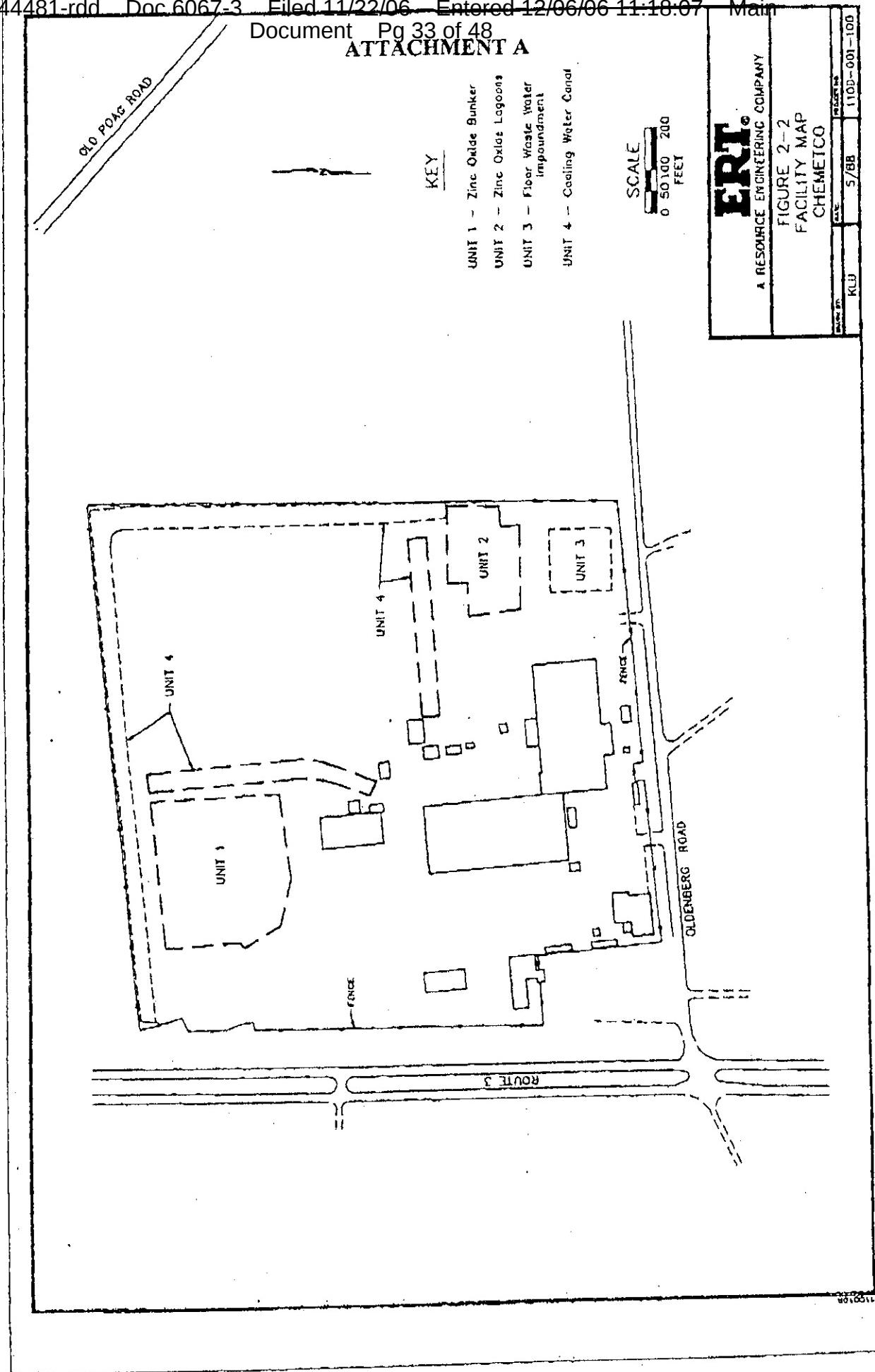
Pursuant to Section 34(b) of the Act the Facility is hereby sealed as indicated in this order, effective on the date of execution. Unauthorized entry into the areas described

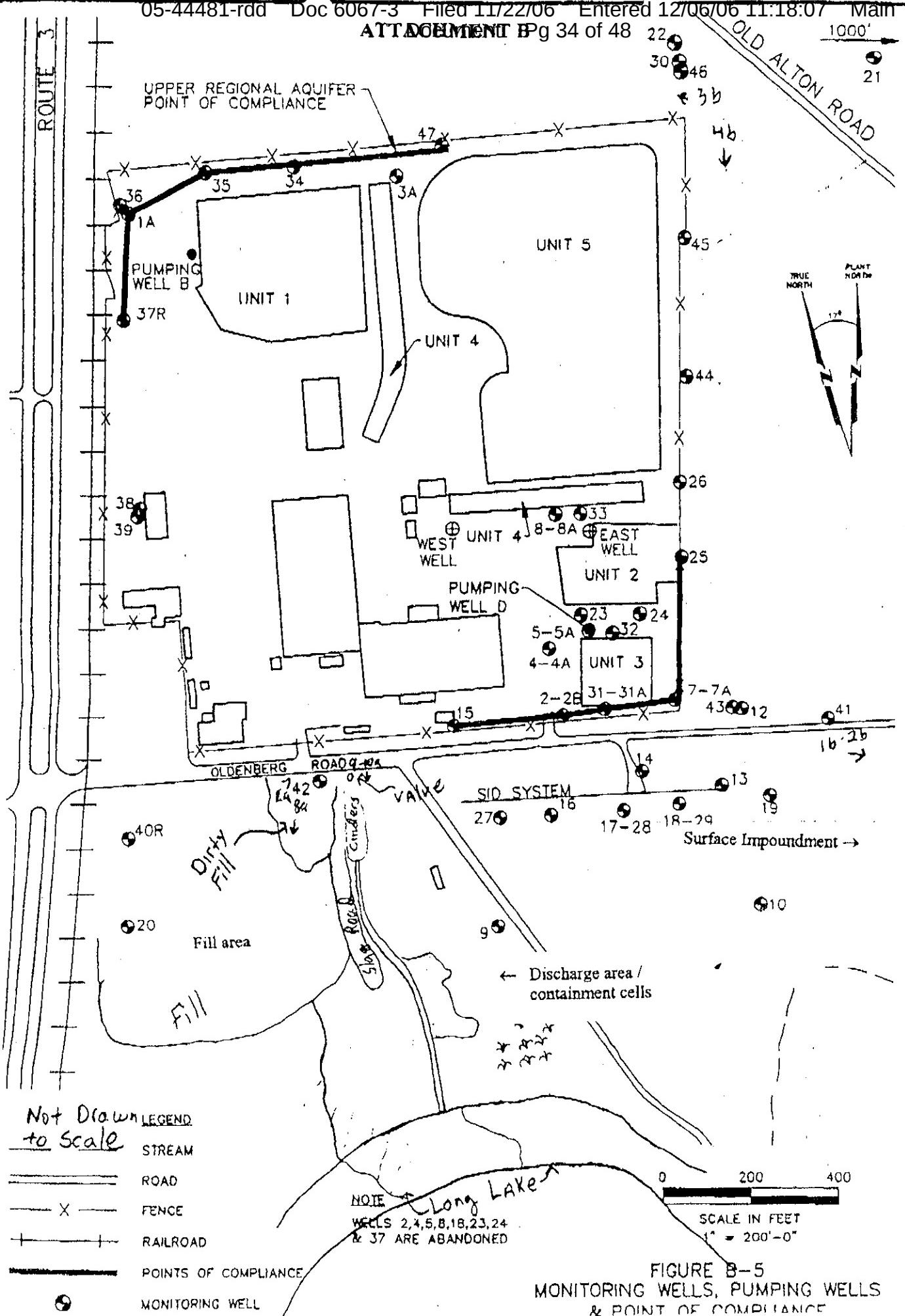
in Section I is prohibited. This order shall remain in effect until rescinded by the Illinois
EPA.

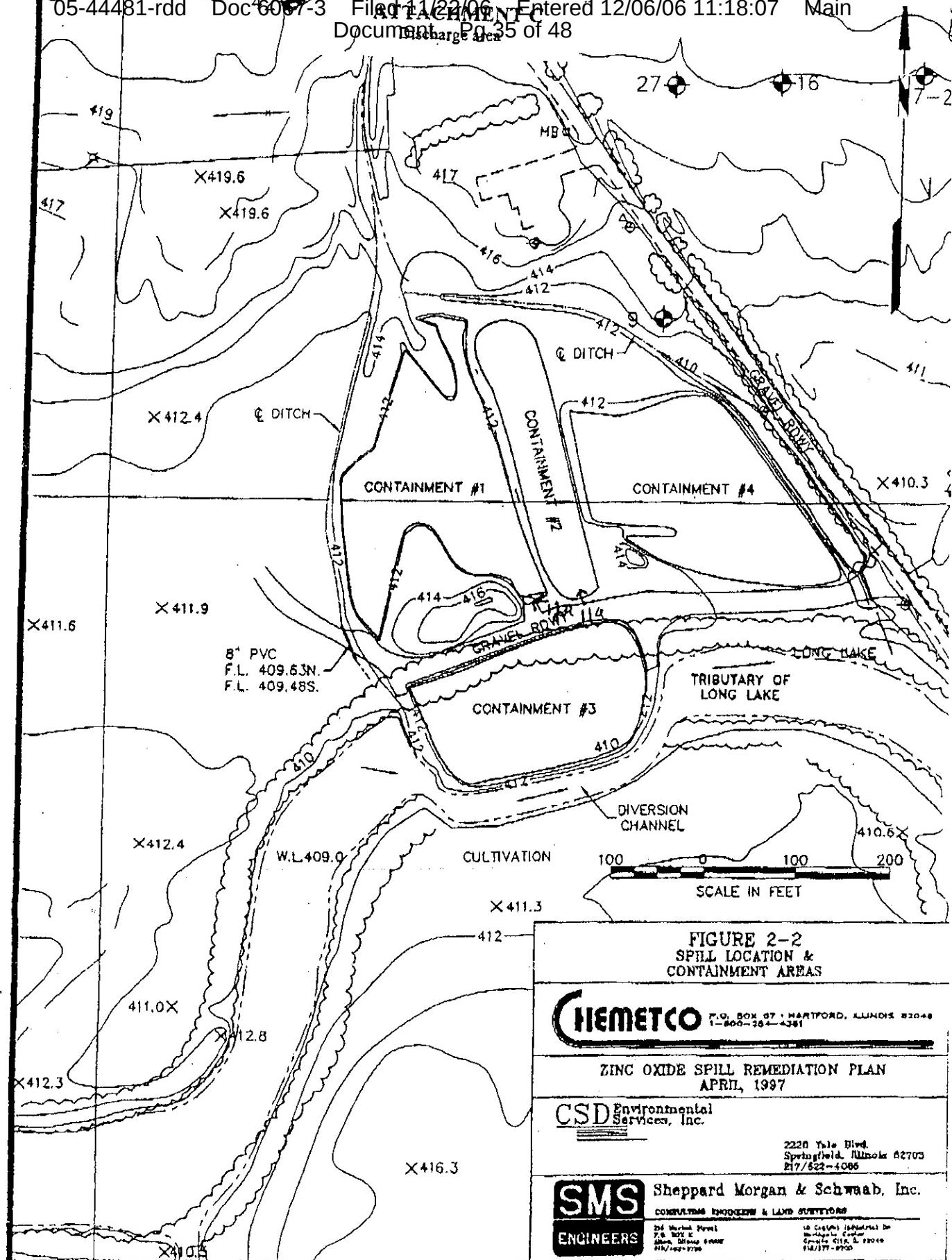


Renee Cipriano
Director

Dated: 12/4/01







CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Notice of Entry of Seal Order Pursuant to Section 34 of the Illinois Environmental Protection Act served on this date on the persons identified on the attached service list by U.S. Mail, postage pre-paid.


James L. Morgan

DATED: 12-6-01

List 2

Ranking of All Chemetco Suppliers by Weight Greater than One Million Pounds

(Grouped by Alternative Names)

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
1	105	9SS	CHEMETCO METALES - DE MEXICO	22,364,081	27,122,897	27,122,897	7.89	7.89
		99S	PROPIEDADES ESMERALDA, S.A.	4,951,613				
		7IF	LATINOAMERICANA DE METALES- CGUA	6,145				
		6M6	LATINO AMERICANA DE METALES- MMN	1,058				
2	005	DPW	DELPHI PACKARD WARREN CONVERSION	6,984,771	23,620,064	52,942,961	7.40	15.29
		DW2	DP - WARREN - CDA 425 TINNED	6,169,328				
		2DI	DELPHI PACKARD ELECTRIC SYSTEMS	3,955,824				
		CP8	DP - CLINTON - CDA 425 TINNED	3,059,975				
		2DK	DELPHI PACKARD/CLINTON DIV	1,374,675				
		DW4	DP - WARREN - CDA 654 TINNED	1,314,532				
		CP9	DP - CLINTON - CONTAMINATED BRAS	575,914				
		DW3	DP - WARREN - TIN BRASS/BRONZE O	509,214				
		DW1	DP - WARREN - CONTAMINATED BRASS	369,995				
		DW5	DP - WARREN - CDA 7025 TINNED	328,823				
		DPE	DELPHI PACKARD ELECTRIC/EL PASO	263,658				
		DPL	DELPHI PACKARD / LAREDO	230,797				
		DCB	DELPHI PACKARD CONVERSION	183,352				
		DW6	DP - WARREN - B.E.C. PLASTIC W/T	149,486				
		PCC	DELPHI PACKARD / CLINTON CONVERS	71,410				
		CPB	DP - CLINTON - B.E.C. PLASTIC W/	55,406				
		CP0	DP - CLINTON - CDA 654 TINNED	22,904				
3	~18			23,924,354	76,867,315	76,867,315	6.91	22.20
		6P0	RESOURCE MGMT. COMPANIES	23,924,354				



Rank	Duplicate Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
1	319	OLIN CORPORATION BRASS DIVISION	11,496,670	11,496,670	11,496,670	1.13%	1.13%
	OBR	OLIN BRASS CORPORATION	4,051,609	15,548,279	15,548,279	3.22%	4.35%
	89T	OLIN CORP (WINCHESTER GROUP)	53,020	15,601,300	15,601,300	0.35%	4.35%
2	369	COZZI IRON AND METAL INC.	11,407,479	27,008,779	27,008,779	1.22%	5.16%
	139	M. KIMERLING & SONS, INC.	2,371,770	29,380,549	29,380,549	0.81%	5.97%
	28Q	SPECIALLOY INC	704,982	30,085,531	30,085,531	0.24%	6.21%
	512	METAL MANAGEMENT PITTSBURGH	389,243	30,474,774	30,474,774	0.13%	6.35%
	223	PERLCO DEPT.2169	345,534	30,819,308	30,819,308	0.12%	6.47%
	ALR	SPECIALLOY METALS COMPANY	125,715	32,075,023	32,075,023	0.41%	6.88%
	7E4	PROLER SOUTHWEST	40,000	32,475,023	32,475,023	0.12%	7.00%
	8B3	METAL MANAGEMENT OHIO	37,300	33,845,323	33,845,323	0.11%	7.11%
3	66C	FEDERAL MOGUL/BLACKSBURG	8,035,393	41,880,716	41,880,716	1.91%	9.02%
	61R	FEDERAL MOGUL ST. JOHN'S	5,587,781	47,468,497	47,468,497	1.20%	10.22%
	60R	FEDERAL MOGUL GREENVILLE	670,885	48,139,382	48,139,382	0.15%	10.37%
	DUM	FEDERAL MOGAL COOPER AUTO	216,234	50,355,616	50,355,616	0.44%	10.81%
	WPL	FEDERAL-MOGUL CORP.	3,578	50,693,194	50,693,194	0.01%	10.82%
4	229	DANA GLACIER VANDERVILL N. AMER	7,910,114	58,603,308	58,603,308	1.36%	12.96%
	K74	DANA GLACIER VANDERVELL	3,106,574	61,709,882	61,709,882	0.50%	13.46%
	MCC	DANA GLACIER VANDERVILLE N. AMER	2,629,759	64,339,641	64,339,641	0.41%	13.87%
5	7ZC	CENTROTRADE MINERALS & METALS	7,822,692	72,162,333	72,162,333	1.01%	14.88%
6	\$50	INDREGUA	3,553,473	75,715,806	75,715,806	0.47%	15.35%
	7XE	R.S. SCRAP METAL	1,606,363	77,322,169	77,322,169	0.21%	15.56%

Rank	Duplicate Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
10	279	PHILIP METALS,INC. NASHVILLE.	951,205				
	991	PHILIP METAL, INC. BIRMINGHAM	807,085				
	836	PHILIP METAL, INC. CHATTANOOGA	782,565				
	J05	PHILIP METAL,INC. ROCKWOOD	773,133				
	2VV	PHILIP METALS, INC-KNOXVILLE	557,999				
	184	PHILIP METAL, INC ST LOUIS	377,328				
	82C	PHILIPS METALS,INC. BEAVER FALLS	262,300				
	82I	PHILIP METALS, INC.-COLUMBUS	183,100				
	82J	PHILIP METALS, INC.-HAMILTON	180,000				
	82E	PHILIPS METAL, INC. CANTON#62	90,000				
11	BTC		4,656,246	4,656,246	158,654,444	11.5%	45.82%
	BTC	BORDER TRADING	4,656,246				
12	dd6		6,172,313	6,172,313	162,971,755	11.3%	47.1%
	COP	TRANSFORMATIT	3,101,340				
	CHO	TRANSFORMATIT	1,515,973				
13	SUM		4,369,934	4,369,934	167,641,691	11.26%	48.41%
	SUM	SUMCO	4,369,934				
14	-d8		4,185,329	4,185,329	171,827,020	11.21%	49.62%
	BPS	BALL PIPE & SUPPLY	2,001,866				
	308	YAFFE IRON & METAL CO.	1,351,871				
	772	BORG COMPRESSED CORP.	527,422				
	IWZ	ROGER'S IRON AND METAL	159,268				
	YCI	YAFFE COMPANIES, INC	99,500				
	42D	CUSHING METALS CORP	45,402				
15	153		3,863,909	3,863,909	175,690,929	11.19%	50.74%
	7TV	RECOVERY OPTIONS	3,863,909				
16	6BM		3,415,314	3,415,314	179,106,243	10.99%	51.73%
	6BM	INTERCO TRADING	3,415,314				

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
18	/NY							
	2GI		WARRENTON COPPER LCC	2,352,038				
	900		AMERICAN IRON & METAL CO. LTD	1,053,092				
	7NY		INTERNATIONAL METALS	3,298,247				
19	b55							
	7GQ		MODINE MFG CO.(EMPORIA)	1,311,577				
	GQ9		MODINE MFG CO.(TRENTON)	1,032,982				
	8GQ		MODINE MFG.CO.(JEFF CITY)	918,358				
	7HI		MODINE MFG. CO. (JOPLIN,MO.)	519				
20	b55							
	1Z8		WOLVERINE TUBE CANADA	3,041,913				
	2CS		WOLVERINE TUBE CANADA	193,171				
21	584							
	584		ATLAS METAL & IRON CORP	3,189,744				
22	001							
	NIB		NIBCO INC. / NACOGDOCHES DIVISION	1,061,806				
	SRB		NIBCO (MCALLEN TEXAS)	959,298				
	3J9		NIBCO INC.(STUARTS DRAFT DIV)	559,519				
	SGF		NIBCO (S. GLEN FALLS)	380,159				
	4AT		NIBCO (BLYTHEVILLE)	93,923				
23	358							
	358		FEDERAL METALS CO	3,024,125				
24	168							
	168		NORTHEAST METAL TRADERS	3,017,055				
25	r52							
	2M4		MUELLER COMPANY	2,974,791				
26	-c4							
	72		FRY METALS INC. ATTN. DAVE COLM	2,816,627				
27	D27							
	D27		ALL FLORIDA SCRAP METALS	2,735,426				

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
24		0B6	HARDING METALS, INC.	2,602,505				
25		83Q	INVERSIONES BRACOVEN C.A.	2,544,972				
26		7GK	MOEN	1,165,093				
27		MOE	MOEN INC - NEW BERN PLANT	1,046,863				
28		8BW	MOEN (ATTN: BRAD SKINNER)	330,594				
29		3W6	ESSEX GROUP INC.%BANK OF AMERICA	1,042,387	2,433,570	223,014,510	0.70	64.47
30		ESX	ESSEX GROUP (055-MPC)	508,587				
31		RSL	ESSEX GROUP (JONESBORO)	282,933				
32		ESV	ESSEX GROUP (VINCENNES)	207,780				
33		CCE	ESSEX GROUP (091-COL CITY)	194,989				
34		ECP	ESSEX GROUP (ORLEANS, IN)	103,727				
35		EMO	ESSEX (SIKESTON, MO)	36,000				
36		EFR	ESSEX GROUP (054-FRANKLIN, TN)	31,420				
37		FWE	ESSEX GROUP (FT. WAYNE)	13,000				
38		EKY	ESSEX (ELIZABETHTOWN, KY)	7,750				
39		ESL	ESSEX GROUP (LAFFAYETTE)	4,997				
40	r05			2,411,932	225,656,142	0.70	65.17	
41		SX0	ELMET	1,783,335				
42		EMS	E.M.S. EUROPEA DE METALES Y SERV	584,505				
43		SWC	BOTRADE , S.L.	44,092				
44	NUN			2,357,091	228,013,233	0.68	765.85	
45		NUN	FREDDY NUNEZ	2,357,091				
46	66			2,341,311	230,354,544	0.68	66.53	
47		49	MIDCO INDUSTRIES INC.	2,184,270				
48		OLS	MASCOT INC.	157,041				
49	K50			2,322,975	232,677,519	0.67	67.20	
50		K50	ANSONIA COPPER AND BRASS	2,322,975				

Rank	Duplicate Supplier Code	Supplier Code.	Supplier Name	Document Pg 42 of 48	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
1		EMB	METAL RECYCLING SYSTEMS		2,242,878				
2	053				2,189,647	5,371,110,011	5,371,110,011	0.63	68.48
3	5R4		WELLMAN FRICTION PRODUCTS		1,338,937				
4	WF2		WELLMAN FRICTION (MEDINA)		850,710				
5	581				2,181,705	2,181,705	2,181,705	0.60	70.11
6	503				2,163,453	2,163,453	2,163,453	0.60	69.51
7	JBF				2,106,318	2,106,318	2,106,318	0.61	70.34
8	TIM				2,084,264	2,084,264	2,084,264	0.60	70.94
9		TIM	THORNTON'S IRON & METAL		2,084,264				
10	60				2,083,383	2,083,383	2,083,383	0.60	71.34
11	2PW		TOMRA PACIFIC, INC.		1,306,110				
12	TPD		TOMRA RECYCLING NETWORK		397,582				
13	RA4		TOMRA PACIFIC		379,691				
14	p39				2,046,080	2,046,080	2,046,080	0.59	72.13
15	Q05		PAUL MATTUCHIO INC.		2,046,080				
16	e48				1,999,865	1,999,865	1,999,865	0.58	72.71
17	7FF		LUCENT TECH. (MCLEANSVILLE)		1,950,269				
18	SSC		LUCENT TECHNOLOGIES		38,300				
19	6DG		A.T.&T. OSP ENGINEERING		7,100				
20	LUT		LUCENT TECH		3,944				
21	81Q		A.T. & T. PIONEERS		252				
22	7J4				1,994,737	1,994,737	1,994,737	0.58	73.29
23	7J4		METALSTAMP		1,994,737				
24	MPI				1,943,911	1,943,911	1,943,911	0.56	73.85
25	MPI		METALS PLUS INTERNATIONAL CORP.		1,943,911				
26	GBR				1,883,180	1,883,180	1,883,180	0.54	74.39
27	GBR		BLAZE RECYCLING & METALS INC		1,883,180				

List 2 - Ranking of All Chemetco Suppliers by Weight Greater than One Million Pounds (Grouped by Alternative Names)
Phase I Summary Report

Rank	Duplicate Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
8	82K	KEY SERVICES INC.	1,805,930	1,805,930	749,403,870	0.24	749,403,870
9	483	EL PASO IRON & METAL CO.	1,789,606	1,789,606	749,403,870	0.24	749,403,870
10	TAN	TITAN RECYCLING	1,784,943	1,784,943	747,977,419	0.53	747,977,419
11	TAN	TITAN RECYCLING	1,784,943	1,784,943	747,977,419	0.53	747,977,419
12	13M	DADE SCRAP IRON & METAL	1,773,943	1,773,943	746,136,362	0.51	746,136,362
13	RUM	RUMPKE RECYCLING	1,746,330	1,746,330	746,136,362	0.50	746,136,362
14	IR3	FRESNO VALVE & CASTING	1,741,390	1,741,390	743,230,082	0.50	743,230,082
15	328	DANA CORPOTION	1,740,546	1,740,546	742,490,628	0.50	742,490,628
16	2XW	JEFFCO METALS	1,713,110	1,713,110	741,692,738	0.49	741,692,738
17	J44	SAFRAN METALS CO.	1,707,407	1,707,407	733,400,145	0.49	733,400,145
18	P13	MENZOCK SCRAP	1,649,842	1,649,842	725,049,987	0.48	725,049,987
19	1DL	SNOWMAN RECYCLING INC.	1,619,908	1,619,908	726,669,895	0.47	726,669,895
20	436	SERLIN IRON AND METAL CO.	1,615,179	1,615,179	728,285,074	0.47	728,285,074
21	7XH	KLEINHANS SCRAP/FREDERICK KLEINH	1,597,614	1,597,614	729,882,688	0.46	729,882,688
22	932	M. BURSTEIN & CO., INC.	1,594,895	1,594,895	728,477,583	0.46	728,477,583
23	2AW	CARLETON I&M	1,574,410	1,574,410	728,051,993	0.45	728,051,993

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
61	39M							
	39M		HOLLYWOOD METAL	1,571,233				
62	c12							
	2RB		VICTORY WHITE METAL CO.	1,564,871				
63	781							
	70C		EMPIRE RECYCLING	1,551,958				
64	NFT							
	NFT		UNITED NONFERROUS TRADING LTD	1,544,729				
65	146							
	DFF		DEFFENBAUGH INDUSTRIES	1,534,354				
66	0LZ							
	0LZ		LUIS A. MALAGON-	1,530,569				
67	0W6							
	0W6		SOUTHERN RESOURCES	1,529,103				
68	S54							
	S54		D P RECYCLING	1,519,314				
69	3JM							
	3JM		WATERBURY ROLLING MILLS INC.	1,432,526				
70	u79							
	IRA		AFAC INC.	1,428,048				
71	70D							
	70D		JARVIS METALS RECYCLING	1,395,829				
72	BLU							
	BLU		METRO RECYCLING	1,382,237				
73	3MT							
	3MT		MT. CLEMENS METAL RECYCLING	1,381,849				
74	ELF							
	ELF		ATOFINA CHEMICALS INC. ATTN:B.F	1,378,742				
75	S53							
	S53		GATEWAY METAL	1,361,369				

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
934		MINTZ SCRAP IRON & METAL CO		1,359,825				
829		CASH'S METAL AND IRON		1,349,119				
C00		TYROLER METALS INC		1,313,029				
102		GENERAL METALS & SMELTING COMPAN		1,308,336				
7XS		TUYAUX WOLVERINE TUBE		1,302,315				
143		INGOT METAL CO. LTD.		1,300,000				
7YH		JACOMIJ METALEN		1,287,192				
1PR		UTILITY METALS		1,236,427				
POL		POLK SCRAP IRON & METAL CO		1,205,945				
125		METAL BRIQUETTING CO.		914,423				
STR		CREATIVE BRASS WORKS		282,641				
u55		MKK MIKE'S METALS		1,161,210				
ZXC		SARCO		1,151,237				
7WT		BEACON MANAGEMENT INC (BMI)		1,146,457				
TTN		COMMSCOPE		1,145,365				
7XF		TODOMETAL LTDA		1,143,922				

Rank	Duplicate Code	Supplier Code	Supplier Name	Document	Pg 46 of 48	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
101	<80	PMP	CFF RECYCLING			1,136,154				
102	5J0	DID	DIDION RECYCLING CO.			1,129,772				
103	7Q9	85X	G.A.S. INTERNATIONAL LLC			1,124,773				
104	7YD	INJ	INTERSTEEL INC.			1,122,247				
105	96	Y01	KRIEGER WASTE PAPER			1,109,603				
106	'65	A29	BEAMAN IRON & METAL			1,103,197				
107	7YZ	S04	WOOSTER IRON & METAL			1,092,493				
108	AGA	AGA	AMERICAN GENERATOR & ALTERNATOR			1,091,555				
109	<80	5W9	CATMET COMPANY			1,088,485				
110	5J0	7Q9	AMERICAN RECYCLING			1,084,563				
111	7YD	ERICO				1,081,056				
112	96	7YD	ADVANCED CHEMICAL COMPANY			1,071,941				
113	'65	ICW	J. TROCKMAN & SONS INC.			1,062,416				
114	7AJ	AO2	LPHA OMEGA PROCESSING			970,278				
115	7YZ	7AJ	ALPHA OMEGA			80,783				
116	7YZ	SP RECYCLING CORPORATION LOUISVIL	1,048,292			340,163,775				

Rank	Duplicate Code	Supplier Code	Supplier Name	Supplier Weight	Total Group Weight	Cumulative Weight	Percent Weight	Percent Cumulative
109		SLV	SLOAN VALVE	1,026,278				
110		3LF	SCHNITZER STEEL PRODUCTS CO.	1,020,396				
111		SRY	SOUTHSIDE RECYCLING	1,017,104				
112		88Y	ROCHESTER COMPUTER RECYCLING & R	1,012,893				
113		788	CERRO COPPER PRODUCTS	1,011,280				
		BF5	BFI- MINNEAPOLIS RECYCLERY	1,010,240				

Total Weight (Pounds) = 346,261,966

CERTIFICATE OF SERVICE

I hereby certify that I sent a true and correct copy of Illinois EPA's response to the objection to its claim filed by Delphi Corporation to:

The Honorable Robert D. Drain
Bankruptcy Judge
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